HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Government Operations and Estimates

OGGO • NUMBER 128 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Thursday, April 26, 2018

Chair

Mr. Tom Lukiwski

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● (1100)

[*English*]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): Colleagues, I think we'll commence now, even though we're missing a couple of our committee members. I'm sure they're close by and should be joining us very shortly.

With us today in our first hour we have representatives from the Métis National Council, Mr. Marc LeClair and Mr. Brian Card. In the spirit of full transparency, I should let all of my colleagues know that Marc and I have known each other for a few years now, and continuing on in that spirit of transparency, I should also say he normally kicks the crap out of me on the golf course. I won't let that influence me, Marc, in any rulings I may make today. Marc is one of the better golfers in Canada. Marc, welcome again.

Good to see you again, Mr. Card. Thank you for being here with us.

Gentlemen, you know the process, I'm sure you've gone through this before. We will give you 10 minutes between the two of you to make your opening comments. That will be followed by a series of questions from all of our committee members. The floor is yours.

Mr. Marc LeClair (Special Advisor, Métis National Council): I'll start. Actually, I used to be one of the better golfers in Canada. Now I'm just a hack, like most others.

Thank you for inviting us back. I'm going to take you through some material that gives a little background on who I am and who Mr. Card is. We'll talk about something I've been championing for some time. It's a concept called "indigenous participation in the procurement process". I want to make a few comments on the presentation by Mr. Wright, who was before you. It talks about the procurement strategy for aboriginal people and how well it's working, and I disagree with him on that. I'll talk to you about that. Brian's going to talk about procurement services and some suggestions he has for improving the procurement system.

I am Marc LeClair. I've been working in this town for the Métis Nation for nearly 30 years; I'm sort of long in the tooth in that. I also do a lot of work with the Government of Canada. I've won a lot of standing offers with the Government of Canada. I know the procurement system pretty well. I've done procurement systems for companies like Manitoba Hydro. We just finished a procurement process with Enbridge on Line 3. I did the procurement policy for VANOC, the 2010 Olympic committee. We're specialists in the procurement area.

I'll let Brian introduce himself now, before we go on. I don't know how self-deprecating he is, but Brian's been working the procurement process for a long time. He's just written a book, *The Inner Circle: How it Works at Public Works*. He knows that system better than anyone else. I teamed up with Brian because we were bidding on a bunch of things. I know how difficult it is to work within the procurement process.

Brian, why don't you introduce yourself?

Mr. Brian Card (Special Advisor, Métis National Council): My name is Brian Card and I am President of The Procurement Coaches. Before I start, I can honestly say I broke 100 twice playing golf, so I'm quite proud of myself.

I've spent the last 30 years coaching and working for large, small, and independent companies, putting together RFPs for provincial, municipal, and federal governments. At one time I had over 85 supply arrangements across Canada, so I understand how procurement works at pretty well all levels of government. I have written a book called *The Inner Circle: How it Works at Public Works*. This is sort of a guide for individuals who are struggling to get their foot in the door and win government contracts. It's a positive book to show them how to fast-track and to give them confidence to work for the federal government.

Today, I'm here on behalf of Marc. He requested any suggestions that I might have on how we could possibly fast-track or meet the minimum requirements for the aboriginal community to make further inroads into the federal government.

Mr. Marc LeClair: In Rob Wright's presentation, he said things are working pretty well, that we have this vehicle that was brought in by the Liberal government, by the former mayor of Sudbury. He brought in this tool, the procurement strategy for aboriginal business, and it was consistent with what we've been doing in other areas of the country. We created tax zones for regionally challenged areas like Cape Breton. Then we moved away from the tax system a bit as an economic development tool, and we started creating these agencies. We created FedNor, Western Economic Diversification Canada, the Atlantic Canada Opportunities Agency, and so forth.

This procurement strategy was along the same lines, but it was focused in on federal procurement. It was supposed to be that where a contract was directed, or the benefits of a contract were supposed to go to indigenous communities, it was mandatory to use that PSAB requirement. Beyond that, it was voluntary for other departments. We created a bureaucratic system in order to promote it. I think there are four to six people who work for that outfit out there. They track results, or they claim to track results. It's usually really about three-year-old data they track. It's like the employment equity we report on. There's always this patting on the back that we're doing so well, but actually based on the overall numbers, they are doing half as well.

If you took the percentage of the indigenous population as a percentage of the Canadian population, you have 4% or 4.5%. In our procurement stuff, which, as the Government of Canada, we control, we're looking at about 2%. We're doing about half.

When I came to the committee last time, I talked about all this work going on on Parliament Hill, and the opportunities to indenture so many indigenous Canadians in the trades. We've struggled in the trades area, and we're not there in the percentage we should be. Since then, we have EllisDon and PCL that have the construction contract for Parliament Hill. It's going to be a six-year project. We're going to have the Supreme Court coming, which is another $2-billion project. We've just seen the results of West Block. You come to West Block at lunchtime, and there are all those guys streaming out of there, but there are no indigenous people working there. We have this opportunity to create all of these masons, etc.

You have a situation where the contracts awarded now on Parliament Hill.... We had this in Manitoba. Manitoba pre-qualified on the hydro project. We had a $7-billion project from hydro. They pre-qualified five companies. We went to Manitoba Hydro and said, "None of them are required to do anything for indigenous people."

We then did what we have done at the federal level before. We put in a minimum indigenous participation requirement. In the case of Manitoba, it was 15%. All five of the pre-qualified bidders had to come to the Métis and the first nations in Manitoba and figure out how they could get 15% of the overall value going to the indigenous population, either through jobs or subcontracts. Then Manitoba Hydro would hold their feet to the fire in the contract process, and put penalties in if they didn't meet those requirements.

It worked, and we have just done the same thing with Enbridge on Line 3 in Manitoba. Enbridge, to their credit, have done it across the board on Line 3. They have all of these pre-project commitments to indigenous people, and they put it in there. In fact, in the oil and gas industry, it's standard practice now, but in the construction industry in Canada, it's not. You have the big guys—PCL, EllisDon, and all these guys. There's no corporate requirement for them to do anything, and they don't have the indigenous component, maybe because much of the business is from Ontario and Quebec.

We have an opportunity to use the federal spend to drill out indigenous benefits. It can be done by putting these minimum requirements in. It's important that it be in the minimum requirements, because sometimes the stuff is really special.

● (1105)

I'll give you an example. In the Olympics, we tried to get the Olympic committee to put some minimum requirements on or to put a set-aside. Then it came to hockey pucks. There's only one company that makes hockey pucks and it's in Czechoslovakia, so it doesn't fit. It's same whether we're building ships or fighter jets. But those companies buy other stuff, and they have other business lines. Even if we put the minimum requirement on, they could at least lease the real estate, buy the supplies, etc. There's a way to do it.

Every time we've introduced this concept to big companies, there's an initial push-back, but then after they say, yes, they can do it because they are not self-performing all of it.

I'm going to let Brian speak. I spoke too long, but Brian is going to talk a little bit about—

● (1110)

The Chair: Could we get you, Brian, to wrap it up in no more than a minute or two so we can get directly to questions. I know that's normally where the information transfer takes place.

Mr. Brian Card: Okay.

From my standpoint, over 30 years, winning government contracts for many people is a marathon, not a sprint. As an example, there are basically 26 different government-procured vehicles people have to understand. There are six regions across Canada. It's very complex.

I have some recommendations. I don't have time in a minute to wrap them up. I don't know how you want to handle that. Do you want me to try to give you the 30-second...?

The Chair: I would ask you to maybe do a very brief executive summary. But in terms of all of your recommendations, if you could submit all of those to the clerk, that will help form part of our final report. Your suggestions and recommendations would be very much appreciated.

Mr. Brian Card: Okay.

In sum, what I discovered and what I'm recommending to Marc is that.... In many cases, the government is going out for multi-million dollar contracts and they're only inviting one or two firms. What I'm saying to Marc is if the aboriginal community can submit a compliant bid, they should be allowed to bid without going through all of the applications that you have to go through. In other words, I have examples of different procurement vehicles where there are hundreds of millions of dollars going to one or two firms without realistically being competitively bid. That's my recommendation, and I have examples.

The Chair: Thank you very much.

We'll go directly into questions.

Monsieur Drouin, seven minutes, please.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Thank you, Mr. Chair

Thanks, Mr. LeClair, for coming back here.

Mr. Card, it's nice to see you as well.

We've heard a lot from witness testimony that RFPs are too long, they're too prescriptive. It's one of the issues we're trying to solve. I'd love to hear your opinion on how, if we're going to reduce the size of the RFPs and make them more outcome-based as opposed to prescriptive, we would ensure that we allow indigenous participation in that.

Mr. Marc LeClair: On the government side, the process has to be simplified for sure. But with simplification there's another problem, which is then you're going to get too many bids. There's a balance to doing it. What I'm finding from the contractor is that if we just put in some minimum requirements for indigenous participation, it will work itself out.

When I met with the government six months ago, I asked them, do you still have the minimum indigenous content template? I told them, [*Inaudible-Editor*]we lost it. Can you send it to me? We use it only in select cases.

Brian, do you want to add to that?

Mr. Brian Card: Yes.

You're asking a very generic question: are the RFPs too long? I've been looking at RFPs, like I said, for 30 years. Across Canada we check a couple of hundred sites a week. I don't find them too long. I find them basically set up so that very few can respond. You have to be pre-qualified, you have to fill out oodles and oodles of applications, and that's where the complication comes in. Most Canadians are cut out of the bidding system.

Mr. Francis Drouin: Yes, it is a generic question, and probably it's based mostly for those in the defence and IT industry. But witness after witness has complained about the fact that rather than asking them what the problem is, we're prescribing to them what the solution is, which I think is what you've just mentioned.

Mr. Brian Card: Yes.

Mr. Francis Drouin: We're weeding out the others, as opposed to —

Mr. Brian Card: In a 300-page RFP, 90% of it is a template.

Mr. Francis Drouin: Yes.

Mr. LeClair, you've mentioned Manitoba Hydro that you've worked with, and you've included that minimum indigenous participation. I missed your percentage. What was the percentage?

Mr. Marc LeClair: It was 15%.

Mr. Francis Drouin: Was that 15% essentially either jobs or subcontractors?

Mr. Marc LeClair: That's right. Yes.

Mr. Francis Drouin: Were there any criteria other than that in the 15%?

Mr. Marc LeClair: We also included a quality plan. You had to meet the minimum, so that was mandatory, but then they were graded on the quality of the plan. If the participation was more in project management, let's say, it would get graded better than if you just had straight labourers.

● (1115)

Mr. Francis Drouin: What if there wasn't capacity? Were the companies willing to work with indigenous, either companies or individuals, to build that capacity? If there were no masons, would they train masons?

Mr. Marc LeClair: That's a good question. I'll give you a concrete example. With respect to the claims processing contract that's behind the non-insured health benefits—the billion dollars that Health Canada spends—there are hardly any companies in Canada that do that, and there are no indigenous companies.

We put in a 20% minimum, and those companies met that through employment, through the call centres, through leases, etc. There's an example where indirect benefits can answer the mail for the contractor.

Mr. Francis Drouin: Thank you.

On the PSAB, I know you've heard great things about PSAB. We're not hearing the same things, and it's the way PSPC would measure.... We've heard that they do participate, so they are on the supply arrangements, but they don't get selected. Are you hearing the same thing in your—

Mr. Marc LeClair: Yes, absolutely. It's how they measure success too. They'll do one RFP and then they'll do the set-aside RFP. You might wait by the phone forever before you get a call up, but I think they measure that.

It's even with the numbers that they put forward now. You see in Health Canada and Corrections, they've got these astronomical numbers there, but now they're starting to count outsourced programs, such as the Correctional Service Canada. I'm pretty sure that the new health arrangement in B.C. where it's outsourced, is a program that is being devolved, but they're counting that devolution as part of their numbers.

Their numbers don't make sense. One of the things that this committee should consider is a recommendation that puts some accountability in that program, because it has been orphaned in indigenous affairs for years. It gets some attention. Sometimes they go out around town talking to people, but public works isn't really engaged in all of that. There really needs to be accountability built into the system, because there's none now.

Mr. Francis Drouin: Yes, absolutely.

Mr. Brian Card: The other weakness I find with their reporting is that there are 177 government entities in Canada and 26 procurement vehicles, so it would be a lot easier if you tried to measure that and track it and monitor it via the 26 procurement vehicles versus the 177 entities. That's a recommendation that we're making.

Mr. Francis Drouin: Did you want to add something?

Mr. Marc LeClair: No.

Mr. Francis Drouin: Speaking of your recommendations, what else are you recommending for this committee?

Mr. Brian Card: We're recommending, as an example, that maybe they could set up an aboriginal portal. There they could actually send opportunities out to the aboriginal community, especially whenever you see an opportunity that's going to one supplier and nobody knows that; it's kept secret. They should send that to the aboriginal community through a portal and say they can submit a compliant bid. They should have that opportunity. That would be a quick solution to meeting their targets.

The Chair: Thank you very much.

I'm sure we'll get back to Mr. Drouin's theme.

Mr. McCauley, you're up for seven minutes.

Mr. Kelly McCauley (Edmonton West, CPC): Gentlemen, welcome.

Mr. LeClair, it's good to see you again. I'm shocked that you beat Tom in golf, because Tom, I understand, used to be a near-pro golfer.

The Chair: He didn't just beat me; he just annihilated me.

Mr. Kelly McCauley: The 15% you were chatting about, where did that come from? We have set-asides in PSAB for a certain level. Where did 15% come from?

Mr. Marc LeClair: That's in Manitoba because of the size of the indigenous population in Manitoba.

Mr. Kelly McCauley: It's a correlation. Okay.

I think it was Manitoba Hydro that you were talking about, with regard to this set-aside. If it's successful, how are they building capacity among indigenous workers? In Edmonton and in Alberta we've got a fair amount, but we have difficulty with workplace participation. Is it 15%? I don't want to put the cart before the horse. It's great that they're succeeding, but how do we get to the capacity so that, when we have a set-aside we can properly involve indigenous companies and youth?

Mr. Marc LeClair: That's a good question.

Mr. Kelly McCauley: It's not just in construction, but in other areas as well.

Mr. Marc LeClair: When we met with the head of procurement, he said whether it's a job in the big company or a job with the subcontractor, it amounts to the same thing. Well, it's not the same thing. If it goes to the subcontractor, which would be the indigenous entity, it builds capacity by obtaining a subcontract and running the job and making a profit. On the other side, the contractor is just paying the labour union and himself.

This is why building the subcontracting component is so important. When we graded RFPs, for example, when we put the grading system in for that one in Hydro, companies were graded higher if they did subcontracting as opposed to having only employees.

● (1120)

Mr. Kelly McCauley: How do you come up with the 15%? Is that 15% a dollar value or is it 15% of...? What has come up with other witnesses is that we don't want to have an indigenous-owned company on paper that does not provide any benefits, training, or capacity-building to the indigenous community itself. Is it just 15% of a dollar value? Is it 15% of workers?

Mr. Marc LeClair: It depends on the nature of the contract. In the case of HICPS, it was 20%. I bid on that with another claims outsourcing company, and it was difficult to get to 20%, but we got there. We bid against an incumbent, and I don't think they've ever met the 20%, and I don't think anybody has held their feet to the fire. Part of the solution for any of this is to make sure we have compliance measures that work.

Mr. Kelly McCauley: You spoke about the work Enbridge did, and we've heard from other witnesses from the energy industry about the great work Suncor and ATCO do without the government forcing them to do set-asides. They do it as a natural part of business. Can you expand on some of the success stories dealing with the energy industry that maybe we can copy over on the government procurement side?

Mr. Marc LeClair: I think the energy industry is a prime example of what's working. They have an obligation, to some extent, because of the Supreme Court's ruling on the duty to consult and accommodate. However, that was occurring before the Supreme Court weighed in. With Enbridge, we negotiated 15 joint ventures that are going to be moving out in August with the mainliners. They just made it happen. They told the mainliners that there was going to be a minimum indigenous requirement, and that when they went through Manitoba, there was also going to be a minimum Métis requirement. It had a certain dollar value, and the Métis in Manitoba signed an eight-year agreement with Enbridge, which went over and above the pipeline. They then negotiated 14 subagreements, and Enbridge told the mainliners that they can't self-perform everything —they have to rent stuff, get fuel, and so on. For all of those contracts, they negotiated with the first nations and Métis. They said that the supply arrangements were pre-commitments to the project, and that all five mainliners had to see the indigenous people and work out a cost for those services. And they did. It's the same thing with the construction.

Mr. Kelly McCauley: How would you extrapolate that over to, say, EllisDon for the parliamentary district?

Mr. Marc LeClair: There's still an opportunity, because the scope of work on Parliament still needs to be defined.

Mr. Kelly McCauley: What I'm looking for is what the energy industry has done. What would you do to EllisDon to achieve the same success as with, say, Enbridge or Suncor?

Mr. Marc LeClair: The owner of the project is the people of Canada and the Government of Canada. The Government of Canada needs to tell EllisDon in the contract they enter into for each scope of work...

Mr. Kelly McCauley: They want 15% of the subs to go to...?

Mr. Marc LeClair: Yes.

Mr. Kelly McCauley: How did the energy industry qualify "indigenous"? We talked about the need for accountability and auditing. How do they do it so that—?

Mr. Marc LeClair: There's a certain rigour that goes into it. For example, the big pipeline we just put on hold that's coming east—who's the proponent for that?

Mr. Kelly McCauley: TransCanada.

Mr. Marc LeClair: In Alberta, they just finished a Métis business database. They paid for the whole thing. The Métis themselves policed how that database was built, so as to make sure they were all Métis companies or Métis-controlled companies. The energy industry is doing what government would normally have done by creating these databases, and so now we have those.

PSAB is supposed to have this definition of indigenous business and they're supposed to do the audits. They say it works, but I can't really tell. I know a bunch of companies that are shell companies for indigenous people, and they aren't really movers and players in it. They might be getting a percentage. I don't know. It's something that has to be policed. It's the same thing they do in the United States. They have minority set-asides there, and that's huge. That's tens of billions of dollars, and they have a policing mechanism there through their sector councils. We have one sector council, which is the Canadian Aboriginal and Minority Supplier Council.

● (1125)

Mr. Kelly McCauley: I'm almost out of time. I just have one quick question. We had a previous witness from PSPC who said that the exclusion zone has been taken off for the parliamentary district renovations. They said they took it off about six months to a year ago.

Have you seen any change? Do you know? Participation since—

The Chair: Just very quickly. I'm sorry, Mr. McCauley.

Mr. Marc LeClair: I sit on the 100 Wellington thing. They pulled that back. They don't know what to do with it yet. They're looking for some guidance from the national indigenous organizations. To their credit, they pulled it back but they still don't have a plan yet. We're pushing them all the time to get going.

The Chair: Thank you very much.

Mr. Blaikie, you have seven minutes, please.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much.

For indigenous businesses that are bidding directly on government work, what are some of the principal barriers? Are there challenges that come with that? I know I've heard for some —particularly smaller companies—that this can be the case, including in Manitoba. The bonds that you have to put up, for instance, for certain government contracts are a barrier because they don't have the cash on hand for a bond; or they can't file multiple bids at the same time, not knowing which one they might get, because they have to put up everything they have for one bond.

Are there things like that within the general process that are barriers for indigenous business?

Mr. Marc LeClair: Bonds are a big issue because the size of the indigenous business base is growing but it's not there yet.

The complexity of the procurement instruments is a problem. Finding out about the opportunities on a timely basis so that you can prepare a bid or prepare a joint venture partner is a problem because a lot of the contracting will require indigenous companies to enter into a joint venture with an established player. The existing bidders don't have real knowledge of where you find an indigenous company.

Brian, do you want to add something?

Mr. Brian Card: I think that again it's the complexity of getting your foot in the door with the federal government. It's all the hoops that you have to go through. This is why I'm suggesting the portal. It's an educational process. It's very time-consuming and it's really complex. Dealing with government is voiceless and faceless. You have to be an expert on the computer in order to do all the thousands of clicks you have to make in order to get the proper information to move forward.

Mr. Marc LeClair: It's also the rated requirements of some of these procurements, especially on prior work. You get graded on the number of prior work contracts. If you have a Métis contractor that's done a couple of jobs and you're going up against a non-Métis contractor that's done 10 jobs, and if the rating system is structured to value the additional number, you're dead in the water. Then you have to go and find a joint venture partner and use their qualifications so that you can bring your number up to 10. That's a big thing.

Mr. Brian Card: There's no consistency in the rating systems and the mandatories and the points rated. Sometimes it's all based on the firm. Sometimes it's all based on the individuals. Mostly, which is discouraging for most Canadians, it's based on federal government experience. In other words, many times it will not accept the experience with the private sector, the provincial government. It has to be done basically through the federal government, which is the national capital region.

Mr. Daniel Blaikie: What are the best ways to try to work around those challenges? Do you set aside to accomplish that in and of itself because there's a priority put on ensuring that those companies that otherwise might not make it through those hoops are part of the business, or is there a more general way of trying to do that? Those are barriers that can exist for other types of small businesses.

What's the best fix? Is it just set-asides, or do you have some recommendations on the general process?

Mr. Marc LeClair: I don't think it's just set-asides. Why would we take a contractor? If we set aside something, then there's one company that can do it, or two; we don't get a competitive bid on it. I think set-asides have their place but this is where I'm saying that in some of the larger contracts at least, let's use the minimum indigenous participation and let the private sector figure out how to find the natives, and they will. They have in every experience I've ever dealt with, whether it's VANOC, or the construction industry, or at least the pipelines and hydro, Mosaic mines. It's the same thing. If they're required to find indigenous contractors and subcontractors, they'll find them.

● (1130)

Mr. Daniel Blaikie: When we talk about auditing companies and how well they're performing, and whether they're really performing in terms of hiring indigenous people, for that auditing process how do you see that working? Do you see each federal and provincial government setting up their own auditing process? Do you think it would be possible to have one auditing process? Is that something that government itself organizes? Is it an independent agency? Do you have some ideas about what a proper auditing process looks like?

Mr. Marc LeClair: I'll let Brian go on this one.

In terms of what's going on now, PSAB, which promotes the program, is trying to show the government how well it's doing. They're also doing the auditing and they're finding everything good, so you get a good-news story in every report they put out. I don't think so. I think the two need to be separated.

Mr. Brian Card: I'm from the private sector, so I find things quite simple. I don't think it's a matter of auditing; I think it's a matter of monitoring. To me, if you have 26 procurement vehicles, you just have a little code on there that says, "Was the aboriginal set-aside there? Was it awarded to an aboriginal company?" It would be very simple just to roll it up by those 26 companies. That would be a quick fix. It would measure and audit.

Mr. Daniel Blaikie: That would be something that the company...?

Mr. Brian Card: That is something the federal government should implement in the procurement world.

Mr. Daniel Blaikie: Okay.

When we talk about auditing, who's checking up on whether that actually cashes out?

Mr. Brian Card: PSPC could do that themselves, internally.

Mr. Marc LeClair: Our point is that whoever is promoting that program shouldn't be the one who's also doing the audit. It should be a separate function.

In this procurement space, the Government of Canada had a good idea. It wasn't Diane Marleau. To go even further back than that, it was Ron Irwin who brought this in in 1996. It was a good idea. We stuck it in some corner, and we reported how well it was going. It's good to the extent that it goes, but it's not fully functional. It's not working.

We have a million and a half indigenous people. This program is supposed to service all of them. How much do we have devoted to PSAB? Six people? Look at our regional development agencies. They're serving a bigger population, but there really is no bench strength there to go to each of the procurements that are coming. Is INAC just going to run over to public works or to the department of defence, and say, "Maybe you guys should make sure there's some indigenous stuff there", even while they're talking about the six people promoting...going to this conference and that conference? Forget it. We don't have the resources behind something that could really make a difference for indigenous people by getting them the work, getting the contracts, and building the business base. Everybody wants to see that. Industry's doing it. Do you know who's not doing it? The Government of Canada.

The Chair: Thank you very much.

Welcome to our committee, Mr. Longfield. You have seven minutes.

Mr. Lloyd Longfield (Guelph, Lib.): Thank you.

It's great to be here as part of the conversation. It's my first time on OGGO, so I apologize if I cover some things that have been covered in the past.

Looking at the building capacity that Mr. Drouin mentioned.... I'm thinking about work that I've done in northern Manitoba, working in shutdowns for mines or paper mills where crews are brought in to be on site. In a northern community, with access to northern talent, how might the apprenticeship programs feed into this, if you made part of the requirements to work with the unions, to make sure they have apprentices feeding from local talent pools? Is there any work being done on feeding apprenticeships through the unions into some of these projects?

Mr. Marc LeClair: That's a good question. In Manitoba I ran that hydro job, and had a couple of scopes up there. We had 150 indigenous people working in those jobs for the two winters that we ran the job. The capability's there. In this case, we didn't require the types of trades that are required, primarily in construction. One thing about construction is, the contractor itself has to make the decision to indenture somebody, and then work it through the union and the trades agency in each of the provinces. This is why the contractor—like EllisDon and PCL on the Hill—has to make the decision. They have to be told they have to bring in these folks, and they need to indenture some indigenous people. They need to invest the commitment of their company to do it. It's the company and the contractor that need to make those commitments, because those are long-term commitments. Unless they're forced to do it on the Hill, we won't see any of that in the next six years.

● (1135)

Mr. Lloyd Longfield: If they're indentured, or if you have the talent then within their group, they're ready for the next job. You're building capacity for PCL, or whoever is doing the contracts, as well.

Mr. Marc LeClair: That's right. You know construction; it's one job after the next. And right now in Manitoba, we're going to put 200 Métis on Line 3. We're working with the union halls, and it's going to be a short job; we're not going to get indentured there, so we're looking at workarounds with those contractors so they can take the workers with them after the job is done.

Mr. Lloyd Longfield: If we looked at coordinating apprenticeship programs with colleges, with Métis or indigenous people, maybe some cross-policy work could happen there. If we set the target, if it's 15% as you said, they'll have to find their 15% by going through the college system or trade unions.

One of the problems I've seen, reading the notes and looking at the white paper before this, was identifying them. Mr. Card, you mentioned this as well in terms of a portal. But the indigenous talent pool that would have those skill sets or the indigenous companies that would be able to provide those skill sets, having the procurement officer being able to find these people.... Right now I'm assuming there's not much in the way of being able to find these people based on—

Mr. Brian Card: One of my recommendations to Mr. LeClair is that they set up a help desk, a call centre where you can ask these questions. You could just say I'm a construction worker, I'm a policy analyst, whatever, and that call centre could quickly direct you to one of those 26 procurement vehicles, tell you that you have to have your project descriptions, your security clearance, the number of years of experience, they could match you up with other people to respond to a bid. I think a central station is lacking that would save everybody hundreds of days and hours and time.

Mr. Lloyd Longfield: In terms of talent matching, a portal magnet was developed out of Ryerson. They were working with indigenous people as well to say they can filter by skilled trades, apprenticed or not apprenticed or journeymen or their background. I know ESDC in the federal government has been working with Magnet, so it sounds as if this study might be able to pull some of that together.

Mr. Marc LeClair: You've got a signature between the supply side and the demand side. On the supply side, we spent $350 million on indigenous employment and training. For Métis, it's about $55 million annually. These people are working with these clients trying to get them indentured, and it's always a challenge because you've got to go to the provincial agency and get them into the system. It's more on the supply side. We do lots on the demand side trying to get these people, but we don't have any supply-side strategies, for example, pull-through, so EllisDon and PCL are going to say okay, because that's the demand side. We need to incentivize them somehow to make those connections.

Mr. Lloyd Longfield: In terms of the details of the government processing—you're saying 26 different systems are in place—scorecards are used quite often. I'm from private business as well, and we would be evaluated. If you have a quality management system, you get so many points. If you have whatever the supply chain, you have 24-hour service, you get extra points. If we had indigenous as one of the check-off boxes and women in trades as another, we have government programs to try to improve health care services for first nations and Métis and Inuit. If those people providing those services are also from the same background as the communities they're working in, there has to be some type of a link between these types of programs and whether we have a scorecard. And that's one of your recommendations with the scorecard. It's not just skilled trades; it's not just construction. It's all the other government programs and services we're providing for first nations and indigenous and Métis.

● (1140)

Mr. Brian Card: I would refer to it as a compliant card to find out whether or not you can match that database of expertise with the opportunities out there. I think that's what's semi-lacking; there's a disconnect between the two, so if you had somebody who could manage the database and opportunity comes along, are you compliant? Then you can put the package together and put in a competitive bid.

Mr. Lloyd Longfield: Then you'd have somebody helping guide people to get themselves into the supply chain.

Mr. Brian Card: That's correct, yes.

The Chair: Thank you very much.

Mr. Kelly, you have five minutes.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thank you, Mr. LeClair, for your opening statement, and for getting onto the record here the success story that is the oil and gas industry in this topic.

The shame of the debate in Canada over the pros and cons of responsible energy development is the narrative that has somehow taken root that oil and gas development and resource development in general are bad for indigenous communities, when in fact so many indigenous communities are in remote areas of the country, where there's very little economic development, and the resource sector is perhaps the best available route for poverty alleviation and economic improvement for indigenous communities. I thank you for being quite clear about that.

Perhaps what I'd like to do, because, Mr. Card, you were short of time in your opening statement, is ask if you have some of the higher points of your 26 recommendations that you'd like to expand a little bit on. I'd be happy to hear them.

Mr. Brian Card: One of the points I wanted to make is that the aboriginal community is not being given a chance to bid. Because they haven't gone through the application process, they haven't been pre-qualified. You couple that with this example. A month and a half ago on Buyandsell, they came out with an opportunity and they invited two firms, only two firms. Only two firms in Canada were allowed to bid on this. I know there are hundreds of firms that could bid on it if they didn't have to go through the pre-qualifying list. The two first firms that were asked to bid needed 10 resources. There's nothing wrong with those two firms calling each other and saying, "We'll put a joint bid in together. You put five resources in, and I'll put five resources in". It's totally legitimate.

A month later it comes out, and it's awarded to one company. Surprise. What I'm saying is if the aboriginal community or anybody else was allowed to put in a compliant bid, it would literally save the taxpayers of Canada probably millions of dollars and make it more open, fair, transparent, and competitive.

Mr. Pat Kelly: Okay, thanks.

Let me ask something that we haven't really dwelt on in some of the other testimony. The majority of indigenous Canadians do now live in cities. I represent a fully urban riding and the challenges of urban indigenous and those who live on reserve are often different. How does this enter into the discussion around procurement—the urban versus rural and the reserve versus city indigenous communities?

Mr. Marc LeClair: The Métis are nearly 70% in urban areas. We bid on anything we can get an effective bid on, so we find joint ventures. The rural part of Canada is a real challenge, because of the skill sets and because of the size of the companies, which are usually pretty local. They're not even looking towards Ottawa for anything at all. It's just a different reality, and I'm not sure how you address it. On the larger projects, for example with hydro, one thing we had to do in hydro up in the north was that the owner of the contract required us to have hiring sessions in a number of remote communities, so our recruiters went there. That was a way to get workers to the job, so that was a requirement in the RFP. Those sorts of things can be done.

● (1145)

The Chair: Thank you very much.

Madam Ratansi, go ahead for five minutes.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you for being here.

You stated that there are not many pre-qualified bidders in the indigenous community. Is it true, false, or did I mishear you?

Mr. Brian Card: There are not many; that is correct.

Ms. Yasmin Ratansi: Okay. Is there a list of pre-qualified bidders you would be able to supply to the Government of Canada?

Mr. Brian Card: I do not have that list. If there is one available, I believe it's four years old. To my knowledge, there's not one available.

Ms. Yasmin Ratansi: I find that people generally go to something they know, and then they repeat it. We just had the Brits come before us. You probably are aware of Carillion, and the collapse of Carillion, and the very scathing report the Auditor General did. I think it's important there not be mammoth groups of people just taking contracts every time.

The small- and medium-sized enterprises are important for this bidding process, but, Mr. LeClair, you mentioned that sometimes the subcontractors will use a shell company—and it's in the white paper here somewhere—and the shell company gets the bids and then collapses. Have you faced such risks? Do you know of places that do this?

Mr. Marc LeClair: Yes, we've seen it happen. I think what public works tries to do is use the pre-qualification process to limit the number of bidders, right? That's in order to make their system more efficient—I think that's an important part.

Oftentimes in those, where there's a supply arrangement or others, you're bidding against companies that are larger and have a competitive advantage in the bidding process. You've narrowed it a bit, and now it's even harder. Now you've taken all of the potential scopes of work that are pre-qualified out of the picture except for those that are pre-qualified....

The pre-qualification process has been a problem for small and medium-sized businesses, there's no question about it. There has to be a balance in the efficiency of the procurement system, for sure, but for indigenous businesses and small and medium-sized businesses, that whole system is stacked against them.

Ms. Yasmin Ratansi: How would you simplify? The minister came before us. She wants to simplify the process and make it faster and better. How would you simplify the pre-qualification process while balancing risk?

Mr. Brian Card: I think you have to take away the perception. I travel from Halifax to Vancouver regularly. I represent companies that tell me they don't have a security clearance, they don't have a buddy, they're not bilingual, or they don't have this and don't have that. There's a huge perception out there that unless you're connected with the civil service, you're not going to get work. Across Canada, that is a very strong perception for Canadian businesses.

I would go to them and say that I would look after all of that, that it's not true, that it's a myth—and it is a myth, okay? Somehow, the federal government should have someone going out.... Now, they do —through the SME, I believe it is—but in my opinion, they're not doing a very credible job. They're not getting to the people.

Ms. Yasmin Ratansi: Okay. You would suggest to us that we should have a better communication strategy and better educational sessions for that.

My time may be running out, but I have a question for you, Mr. LeClair. You came before us in November, and then Mr. Wright came afterward, in March. He was talking about voluntary set-asides. Are you in agreement with the voluntary set-asides, or would you say that every contractor should have a percentage, a 5%, 10%, or 15% set-aside, put in their contract for subcontractors who are of indigenous background?

Mr. Marc LeClair: I think you can have both, depending on what the government is buying, on what service it is. I think it can be an effective vehicle so that you just have indigenous groups competing against each other for that. Where we have that capacity, I think the voluntary set-asides are good.

The problem is that it's not being used enough, it's not being promoted enough, and it's not at the right level, so we're having poor results. To be fair to all those people who work at PSAB, I think they're doing as well as they can, but it's just not on the radar. It's not high enough on the pay grade that they work under. We need to bump it up.

● (1150)

The Chair: Thank you very much.

Mr. McCauley.

Mr. Kelly McCauley: I have a couple of quick questions.

Mr. Card, are you familiar—you probably are—with the American gsaadvantage.gov website?

Mr. Brian Card: No. I'm only in the Canadian market.

Mr. Kelly McCauley: It's like an Amazon site, where companies just throw up their pricing for projects. You can actually pick off and filter out everything except indigenous, so indigenous companies would actually bypass a lot of what we have to go through right now with the paperwork, etc., to post their stuff, whether it's for labour or services, etc.

Would it be of any value to have a program such as that? That's for Mr. LeClair as well.

Mr. Marc LeClair: Yes. Those types of programs exist in the United States, like the section 7(a) one, where the Government of the United States works with firms to build their capacity, because they know that on large contracts you have to build the capacity of the small business. There are a number of measures there—which I'd be happy to send to the committee—that the Department of Commerce is doing in the United States to grow minority business.

Mr. Kelly McCauley: Mr. Card, you gave us an example of a bid where they pre-qualified two and that's all they went to.

Mr. Brian Card: That's all that was registered in their system: these two firms in Canada.

Mr. Kelly McCauley: We were looking at a shipbuilding bid recently, where they put out a tender but said "by the way, here's the company we're choosing". They sole-sourced it, but for transparency they posted it and said, "Here's the company." They explained that they had worked with the company in the past and no one else could do it. Even though it's the RAND Corporation, lots of large consulting firms could easily do it.

How much do you think this is costing taxpayers and small businesses, etc., when we're doing these processes where we're excluding so many other bidders based on the excuse that "we've worked with these guys before"?

Mr. Brian Card: It's very costly and, to some extent, unfair to the other businesses that put a competitive bid in. Along with that, we're seeing recently now that the government is going out with 15-year contracts. It just went out with one several months ago for a team of 15 different people. I knew most of the people who where bidding. They were 65 and 70 years old, and they won a 15-year contract. Okay, hello?

The other difficulty with that is that they put in a rate today and they have to hold that rate. What I've seen over the last 20 years is that they'll sign a 10-year contract with an industry. Now they're getting $1,200 a day per diem. Five years down the road, the supply of those people has gone way up and the demand's gone way down, yet the government continues to pay double or let's say 25% more than what it should be paying because they commit themselves to these five-, 10-, and 15-year contracts.

Mr. Kelly McCauley: Why do you think we're going this? Is it just laziness? Is it a lack of resources on the procurement side: let's just get this done and we move past?

Mr. Brian Card: My experience and observation is that there are a lot of dinosaur practices in the federal government. A new government will come in, and I find that the different political bodies really don't change the procurement system whatsoever. I think if you talk to government employees in procurement when a new government comes in, they'll say, "So?" It doesn't change. Nothing's ever changing. Nobody has taken a close look at the procurement world.

Mr. Marc LeClair: I think, for example, precinct two is a good example, 100 Wellington. I spoke to the committee about this last time. When that RFP came out, you had to have local resources. They still had 100 Wellington listed as the portrait gallery, so they didn't even have the time, or nobody took the effort to say that 100 Wellington is kind of changing now. There was no requirement for indigenous resources there.

Brian and these guys won it; we complained about the 50-kilometre thing. We wrote to public works. To their credit, they pulled back on it, but....

Mr. Kelly McCauley: There seems to be a will among ourselves, all three parties, to try to help, but I'm not sure that there's the will on the other side, outside of these doors.

Mr. Marc LeClair: I think this is why the committee...you're going to make some recommendations. I encourage you to put in your report that you're going to look back at this thing in a year's time to see if there's anything that's going to change. We're all going to be here in one year, hopefully.

Mr. Brian Card: The difficulty is that, when you see RFPs come out that make no sense from the private sector, there's nowhere to complain. By the time you put a complaint in, the job will be done and built and finished. That's how long.... There's no process within the government to complain about awkward RFPs.

● (1155)

The Chair: Mr. Jowhari, you have five minutes, please.

Mr. Majid Jowhari (Richmond Hill, Lib.): Welcome to the committee again, our presenters.

A lot of discussions have been had over the last hour about some of the challenges, some of the recommendations, different procurement programs, to the tune of 26, and some of the jurisdictions.

One of the things that stuck in my mind was the success story that Mr. LeClair talked about, and Manitoba Hydro was highlighted as one of the success stories.

You also balance that—or at least I heard you balance that—with the ability to build capacity. I'd like to link that and ask the following question. You mentioned that we are coming up with a strategy on the demand side and a strategy on the supply side. You said that the demand side is now in place and what's missing is the supply-side strategy.

Can you explain that, or can you expand on what we need to do on the supply side and how the characteristics of a successful story around Manitoba Hydro can help us build that supply-side strategy?

Mr. Marc LeClair: I'm going to leave two documents with the committee. Really what you've got to do is incentivize the contractor. In this case, in Manitoba Hydro Schedule VIII — Indigenous Engagement Strategy & Requirements, Manitoba Hydro outlined for the contractors what they wanted for the indigenous Canadians in the contracting documents. This one is Socio-Economic Requirements of Contractors for Enbridge. This is what Enbridge put out and said, "Okay, you guys want to do this job for us? Answer the mail here, and it's mandatory."

This is what we need to do with the Government of Canada on these contracts—and they can be over a certain value, over $100 million, $50 million. It should say that, if companies want that work, they have to find those indigenous businesses and give them a certain percentage. That's how we incentivize companies to do work with indigenous people. The Government of Canada should be doing it on the large contracts. It's all in there and the Government of Canada has this, but as I told you, it lost the template. I think it was just that guy who lost the template.

Mr. Majid Jowhari: Mr. Card, do you want to add anything?

Mr. Brian Card: I'm fine with that.

Mr. Majid Jowhari: Okay, so incentivize, put a target, as you said, hold their feet to the fire, and make sure that you measure your report and do your review. It's compliance reporting, as you called it, Mr. Card.

Now, my last question is on the 26 programs, as you called it, the procurement vehicles, and the jurisdictions.

Is there anything you could shed light on to as to what procurement program has worked well and what program hasn't done well, as it relates to the indigenous and Inuit?

Mr. Brian Card: To answer that question, I'd need more time.

To give you an example, they have what they call TSPS. There's a level amount. Anything over $2 million has to go to what they call "tier two". To me, tier two should be completely abolished.

Anything over $2 million should go out to all Canadians, not just the limited few on their preferred list. You would get many more bids. You would save millions of dollars. You would encourage more Canadians to bid on federal government work if that were put in place.

I see no reason for a tier two.

Mr. Marc LeClair: I think he's covered it.

It's the large construction contracts, the service contracts, that are the most challenging for indigenous Canadians. There are ways around it, like providing enough time on some of these bids—if you'd prefer them for indigenous Canadians—to do joint ventures.

In many cases, it's like the hydro business. I had no idea how to put up a hydro pole, but when we got the contract and we teamed up with Forbes, we learned how to put up hydro poles.

Mr. Majid Jowhari: Okay, so that's the capacity building. You are forced to go there and build the capacity and maintain it.

I think I have 30 seconds, which I give to you, Mr. Chair.

The Chair: Thank you very much.

Mr. LeClair and Mr. Card, thank you very much for your testimony. As I mentioned at the outset of this meeting, I would ask that you submit all of your suggestions or recommendations to our clerk as quickly as possible. We are currently in the process of drafting a report, so your comments and suggestions will form part of the final report.

Thank you again for your presentations. It was very much appreciated.

Colleagues, this concludes our study on federal procurement.

We will suspend for a couple of moments while we prepare the table for our next witnesses.

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_____ (Pause) _____

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• (1205)

Mr. Joe Friday (Commissioner, Office of the Public Sector Integrity Commissioner): Good afternoon, Mr. Chair. It's a pleasure to be here and to see committee members again.

Today we're here to discuss the main estimates, and I'm looking forward to having the chance to update you on the work and activities of my office.

I'm joined by my General Counsel, Brian Radford, who has appeared before this committee before, and my Chief Financial Officer, Éric Trottier, who accompanied me last year for the main estimates appearance.

I know you're already familiar with our mandate, given the legislative review of last year, so I won't use my limited time to provide you with background. Our office's budget is relatively small. It's $5.5 million. I have a team of 30 employees. I anticipate increasing that to 35 in the coming year to support our core operational mandate. The bottom line is that I currently have sufficient financial resources to do my job but anticipate using the full budget allotment in this fiscal year, which will be a first for our office.

You have copies of my departmental plan, which outlines my priorities. Briefly stated, we'll continue to pursue operational efficiencies using technology, training, human resources strategies, and program evaluations, to support that goal. Also, we're going to continue to focus on a challenge I have discussed with you in the past, and that is reaching out to public servants to ensure that they are aware of, that they understand, and that they are confident in using the federal whistle-blowing regime.

When I was here last year to talk about our legislation, I spoke about the importance of changing the culture, that is, of making whistle-blowing a normalized and accepted part of the public service culture. I want to reiterate as forcefully as I possibly can that any change in culture can only be the result of a collective will and a collective effort. My office, which is referred to as a "micro-organization" within the federal public sector, has a significant role to play in this regard despite our very small size, and we're really working hard to fulfill that role.

Since my last appearance here, we have tabled three case reports in Parliament of founded cases of wrongdoing. They're really important in contributing to cultural change, but they're only one part. For example, we also produced a very significant research paper on the fear of reprisal, entitled, "The Sound of Silence", which I believe I shared with you last year. This too advanced the discussion, and it focused attention on the need for change that is led from the top of an organization.

[*Translation*]

Mr. Chair, the Public Service Employee Survey, the results of which were recently published, is a very important indication of the current state of the culture in the public service. These results reveal clear concerns that employees have about workplace values and ethics, mental health support and the trust of public servants in the disclosure process.

These concerns are apparent in our daily work, as illustrated in my two most recent reports on founded wrongdoing, and others that I tabled in Parliament previously.

[*English*]

There's clearly work to do in changing the culture. For example, to the question of whether individuals feel they can initiate a formal recourse process without fear of reprisal, fewer than 50% of public servants who responded said that they could.

As a chief executive myself, one of my immediate interests was how the survey reflected on the state of my own organization. I was very pleased to see that the results indicate what I believe to be quite a healthy and well-supported workforce, comprised of people who feel that they can speak up themselves. This confirms that the talented people on my team recognize and value the very attributes of the healthy culture that our office was created to support and protect in the first place. I was further heartened to see that 96% of our employees described our workplace as being psychologically healthy.

These survey results and the fact that our own response rate in my office was over 80% tells me that my office, which itself has gone through much-publicized difficult times in its early days, is an example for the rest of the public sector, an example of the possibility of positive change. It also tells me that our employees are well-equipped and able to carry out their difficult and demanding work. In fact, 82% said they would prefer to stay with us even if a comparable job were available elsewhere. That's compared to 65% in 2014. Frankly, Mr. Chair, I couldn't be more proud of the results of the team I have the privilege of leading.

Relating these to the priorities identified in my departmental plan, I believe the survey results actually helped build confidence among public servants about coming forward to our office if they know they are dealing with people who themselves understand the importance of speaking up and of supporting psychological health in the workplace. I'm also certain that committee members would expect and want people in my office to be operating with such a perspective and approach.

Last year at this time, I appeared in the context of the review of our legislation. As you know, I tabled 16 proposals for legislative change that I felt were progressive, achievable, and necessary.

● (1210)

I read with interest this committee's very thorough report, and I was pleased to see that my proposals were either explicitly or implicitly reflected in that report. I also read with interest the government's response, and, as I stated publicly, I was disappointed that the government was not taking action at that time to change the legislation.

Mr. Chair, my position remains that change is required and that my proposals are relevant and necessary. My hope is that changes will be made, if not now, then in the future, and hopefully as soon as possible. For my part, I will certainly continue to speak about the need for change to support people in coming forward confidently when they think something's wrong.

[*Translation*]

Mr. Chair, in conclusion, I am pleased to share important operational statistics before the actual publication of my annual report.

Last year, we received 147 disclosures of wrongdoing, which is a significant increase over the previous year, when we received 81. In the course of our work on these files, we will see how many of them will end in investigations or founded cases.

The number of cases of reprisals increased from 31 to 38, which is comparable to previous years, but still represents a significant increase from year to year.

We are currently working on 23 investigations.

[*English*]

And I should say, having spoken to my director of operations on my way to this committee hearing, that I'm expecting that I will be receiving recommendations to launch three new investigations in the coming week.

In addition, my office has met and exceeded the service standards we set for dealing with cases in a timely manner. As a reminder, those standards are to complete at least 80% of initial analysis of disclosures within 90 days, and 80% of investigations within a year. We are meeting these standards in 90% and 86% of our cases, respectively, and we are in 100% compliance with the statutory requirement that we assess reprisal complaints within 15 days.

Briefly, we referred one reprisal case to the Public Servants Disclosure Protection Tribunal, and most importantly, in my view, we settled six cases through conciliation, arranged and paid for by my office as the legislation contemplates. These cases were actively being investigated by my office. They could have resulted in referrals to the tribunal, but they were settled by the parties confidentially to their satisfaction, and in a timely manner with our assistance.

These conciliations, Mr. Chair, represent an unquestionable success for the parties, and indeed for our office, and for the whistle-blowing regime, and that number of conciliations, the six this year, represents a 60% increase in a single year over the total number of conciliations to date by our office.

[*Translation*]

Mr. Chair, I hope that this information will provide the committee with a useful overview of some of our key activities and achievements, and provide a clear and positive image of how my organization works.

Thank you.

[*English*]

The Chair: Thank you very much, Mr. Friday.

We'll go directly to questions now, starting with Mr. Peterson.

[*Translation*]

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thank you, Mr. Chair.

Mr. Friday, thank you for being here today.

[*English*]

I have lots of stuff to go through here, so I'm going to go piece by piece.

First of all, kudos on the statistics from your survey of your office. It's very good to hear that.

Was the 96% the number of your employees who were not afraid of reprisals if they were to report?

Mr. Joe Friday: Ninety-six per cent of the people in my office described the workplace as psychologically healthy. I didn't say this, but the percentage of people who feel that they can use a recourse mechanism without fear of reprisal is also 96%. The highest number in the entire public sector was 97%, and we were 96%.

A voice: Who was that?

Mr. Joe Friday: That was, I think, the military grievance board. The overall number for the public sector in total was in the fifties, 55%, I believe.

● (1215)

Mr. Kyle Peterson: There's room for improvement there.

Mr. Joe Friday: We were delighted to have a 96% positive response to that essential question.

Mr. Kyle Peterson: Hopefully you weren't the only negative responder to that. We won't dwell on that.

I'd like to talk a little bit about the actual numbers, the money in the estimates. In the main estimates for 2018-19, you're looking at $40,000 in legal fees. That would, of course, be public sector employees who are eligible for reimbursements of up to, I think, $1,500 or $3,000 in extreme cases.

But at the same time, we see a significant increase in the disclosures of wrongdoing, from 81 to 147. I think the more disclosure there is, the more likely it is there will be a need to reimburse fees.

Do you see that number growing significantly in the future?

Mr. Joe Friday: It's certainly a number that we keep a very close eye on. We've had to actually increase our budget forecast this year for that amount. We had underbudgeted based on previous years, so it anticipates that amount continuing.

As you know, one of my proposals for changing the legislation was to increase that number. Given that we have not changed the legislation in that regard, it has an effect on budget projections, of course. One of the conditions in obtaining that funding is that a person does not have access to legal advice free of charge from another source such as unions or something else.

Mr. Kyle Peterson: It's a limited pool, then.

Mr. Joe Friday: It's a limited pool, and there are conditions within the legislation that must be met before we provide that money.

I can tell you, and Brian will contradict me in public if necessary, that the majority of grants of legal fees are in the $3,000 range, as opposed to the $1,500 range, recognizing the cost of legal services and having concerns about access to justice in Canada.

Mr. Kyle Peterson: Not to dwell on it because it's a small number, but it's an important number, is there a ratio you use that if there are *x* number of disclosures, you know there are going to be *y* number of expensive legal fees?

Mr. Joe Friday: I know I'll have Éric to contradict me if I'm wrong, but what we have done is based budget projections on the budget from last year, anticipating a slight increase, if you will, but we leave enough leeway in that budget item to adjust it if necessary. It's one that we do recognize has a potentially high likelihood of being changed during the course of a fiscal year.

Mr. Kyle Peterson: Right, so if the number of disclosures doubled, would that number presumably double as well?

Mr. Joe Friday: There's no direct correlation. It's quite interesting. We tried to analyse the data to see if we could make that correlation, and I think it's safe to say that we cannot.

Would you agree with me?

Mr. Brian Radford (General Counsel, Office of the Public Sector Integrity Commissioner): Yes, proportionally speaking, the higher number of requests for access to legal advice come from the reprisal files. Although we have fewer reprisal files, we can understand that the people are more directly involved. They are making complaints. They're named as having taken reprisal action. They're in investigation, so they require access to legal advice more frequently proportionally speaking.

The other large group of people, of course, are those who are themselves involved in disclosure investigations.

Mr. Kyle Peterson: Thank you for that.

Now, could I—

Mr. Joe Friday: I could add that the $48,000 we spent this year is the highest we spent in any year since our creation.

Mr. Kyle Peterson: I would suggest that the more successful your office is in the sense of getting the message out that this mechanism is in place, the busier your office would be. Therefore—

Mr. Joe Friday: Yes, and I can confirm that the existence of a program that provides people with access to funds to obtain legal advice is included in our letters, our standard correspondence with people, and is highlighted on our website. It's certainly something that we don't hide, if I can put it that way.

● (1220)

Mr. Kyle Peterson: Nor should you, so that's good to hear. Thank you.

You said that in your opinion right now you guys are adequately resourced based on the next fiscal year.

Mr. Joe Friday: As our past financial reporting has indicated, we have been lapsing funds since the first year of our existence, so the coming year we will be hitting the wall. What happens if we get a continued increase in disclosures or reprisal complaints remains to be seen. At this point we're projecting that we have just enough to do my job under the current legislation.

Mr. Kyle Peterson: Right, including the extra hiring you're going to do.

Mr. Joe Friday: Including the extra hiring, which will be investigative case analysts and a lawyer.

Mr. Kyle Peterson: On the departmental plan for innovation, you said there were some efficiencies that you're trying to achieve there. Is that through software, or through other—

Mr. Joe Friday: We're doing quite a major reassessment of our case management system, for example.

Mr. Kyle Peterson: Thank you for that.

Thank you, Mr. Chair.

Mr. Joe Friday: And, boy, does technology cost.

Voices: Oh, oh!

The Chair: Mr. McCauley, seven minutes, please.

Mr. Kelly McCauley: Gentlemen, welcome back. It's good to have you.

Mr. Friday, thank you again for bringing up your recommendations for the whistle-blowers. A lot of them were incorporated in our final result and report, which unfortunately was promptly binned by the government, thrown in the garbage, and not acted upon.

The government responded with a simple letter saying, we're going to consult this and that. Were any actual changes made to how you operate based on the substantive report that this committee came up with unanimously?

Mr. Joe Friday: The short answer is no. The proposals we made all required legislative change for us to be able to implement. I can't do certain things if the law does not allow me to do it: for example, to increase the amount available to someone for pain and suffering from $10,000.

Mr. Kelly McCauley: As well, I think the legal support is frozen at $1,500, which is five hours of a good lawyer. When we're talking protecting people's lives, it's certainly not sufficient.

Mr. Joe Friday: Yes. I believe that to be unrealistic.

As I understand it, the government response dealt exclusively with the internal system, the internal whistle-blowing system, of which I'm not part. I think that was out of respect for and in deference to my status as an independent agent of Parliament.

Mr. Kelly McCauley: It might be a tough question, but if the recommendations put forward in the unanimous report were put into effect, how much more would you require in terms of resources? Again, it's tough to look into the future, but would it be a 10%, 15%, or 20% bump?

Mr. Joe Friday: It certainly would be difficult to say, but I think we would be looking at potentially a considerable increase, at least a 20% to 25% increase in budget.

For example, if the legal advice limit was put up to $5,000, that would be relatively considerable, given that our overall budget is only $5.5 million.

While the government response spoke to the internal system, for which I'm not responsible, I still believe that changes to, for example, awareness and increased communication about the internal regime, and the external regime as well, would be very helpful.

Mr. Kelly McCauley: How much work are you doing in that role? You talked about the need to reach out to the civil servants and promote your services. This did come up in the study, and the answer was very disappointing, not from you but the lady we were chatting with.

Under the act, it's a responsibility of the Treasury Board Secretariat and the head of HR for that. She basically told this committee they don't like to do that. They leave it to someone else and really don't follow up.

How much work are you doing to fill in for that department not doing what its job is under the act? It's a great concern that we have 250,000 public servants who might not be aware of their rights or the protection that's afforded to them because the Treasury Board has said, "Well, the departments will look after that; we're not going to follow up on it." That forces you to do their job for them.

Mr. Joe Friday: Out of a team of 30 people in my office, we had until very recently three people, so 10% of my team, working exclusively on communications outreach and parliamentary relations.

Last year, we distributed 9,392 communications products ourselves. Those are things that we produced. We've produced and are soon going to be posting a new video outreach to all public servants and members of the public. We had almost 50,000 hits last year on our website alone. Those are not repeat visitors; there were 50,000 unique visitors.

It's a big concern for us.

Mr. Kelly McCauley: Since our study, have you seen Treasury Board step up to do its job as required under the act, or is it still lying low and sloughing off the responsibility on you?

Again, it's a great concern, because $5.5 million is not a lot of resources to protect so many people, and at the same time, your resource is being dragged away to do the job of another department, the Treasury Board's job, basically.

● (1225)

Mr. Joe Friday: I'm not aware personally of any new initiatives by the Treasury Board to increase outreach or awareness. I can say, for example, with the public service survey, I reached out to the chief human resources officer in the hope of being able to someday get a question specifically about whistle-blowing in the survey, because the one about reprisal is generally about retaliation, not reprisal under our act.

While there is no question in that regard, the response was very positive, and we've identified people from our respective offices who will take that further.

There are appropriate levels of communication going on, but since I'm responsible for the external program, I'm not a necessary player in discussing the internal program. I have indicated to Treasury Board, and Treasury Board has indicated its understanding of, my absolute undying willingness to be consulted on anything that we can work together on or that we can move forward on.

Mr. Kelly McCauley: I appreciate the work you are doing in reaching out to the employees and filling the void again where Treasury Board is clearly not doing their job as defined in the whistle-blower act itself. I very much appreciate your comments.

I'm done with my questions. I would like, however, to introduce one of the motions that I have on the table, which we put in on April 19, 2018.

The Chair: We should probably consult with the clerk to make sure that everything is in order.

Okay, go ahead, please.

Mr. Kelly McCauley: The motion is:

> That the Committee hold a briefing with the Privacy Commissioner, officials, and experts to discuss the Government of Canada's advertising policy and practice with digital platforms like Facebook and the collection of analytic data from these advertisements that can be used by staff and other political actors at the expense of the Canadian taxpayer, and that the meeting be held no later than November 30, 2018.

I moved the motion previously, and I'm just moving it again. I think it is important for to us. I'm not going to debate or anything, but it is important for us to study this, given its effect on taxpayers. For expediency's sake, I'd like to move to an immediate vote on the motion.

The Chair: Do I have the general concurrence of the committee to have an immediate vote on this?

Ms. Yasmin Ratansi: You submitted that before, and you say November 30, 2018.

Why don't we put it to the subcommittee to discuss it?

The Chair: Mr. McCauley's request was to have a vote on this particular motion now, so to accommodate that request, all in favour of the motion, please so indicate.

(Motion negatived)

Mr. Kelly McCauley: In that light, I would ask that the chair write the chair of the ethics committee and ask them to include it as a pillar in the study on Facebook they're doing right now.

The Chair: Mr. McCauley, as is the practice of this committee, and particularly of this chair, I would need concurrence from the entire committee before I would write a letter on behalf of the committee.

To that end then, rather than getting into a protracted debate—

Mr. Kelly McCauley: I just have one comment, and I won't—

The Chair: One comment, and then I'm going to ask for a show of hands again.

Mr. Kelly McCauley: When we discussed this before, the comment was that it was going to be studied by the ethics committee, so let's let it go, and it got voted down, but this specific issue is not getting studied as part of the ethics committee study, so I'll ask again that we refer it. We voted it down before, because it was going to be studied there. It's not on their list, so I would ask the government side to agree to at least send it to them to ask them to study it.

The Chair: You're asking the chair then, on behalf of the committee, to write a letter to the ethics committee.

All in favour of that request?

Some hon. members: Agreed.

Ms. Yasmin Ratansi: It can go to the ethics committee. Draft a letter, and we'll have a look.

The Chair: Okay, I will compose a letter, and we'll bring it back to this committee before we send it. How's that?

Mr. Kelly McCauley: That was the intent when we voted last time.

Thank you again.

The Chair: Sorry for the interruption, Mr. Friday.

Mr. Blaikie, you have seven minutes.

Mr. Daniel Blaikie: Thanks very much, Mr. Chair.

We've covered a lot of ground already.

I just thought it might be worth asking for a little bit more of a breakdown of what exactly the internal services line means. It's about 25% of the budget, and you noted here that, for the sake of efficiency, a lot of things get run through internal services. I'm just wondering about the nature of those expenditures. Are any of the staff years under internal services?

● (1230)

Mr. Éric Trottier (Chief Financial Officer, Office of the Public Sector Integrity Commissioner): In internal services, we have approximately seven staff. That covers finance, paying invoices, some communications, audit evaluations that we need to do in terms of reporting, so policy as well as policy work. Those are the staff who basically support the program.

In terms of what is included in expenditures, what we centralize is mostly telephone lines, for example. It may look silly, but it's a big amount in terms of all our expenses. Other departments pay that from their own program. We centralize just for efficiencies.

Everything in terms of IM/IT is for the whole organization. That goes into that for all our licences, any new equipment we need, anything in terms of audit evaluations that we need to do, communications lines as well, everything in finance, and all the external reporting and printing, so it's mostly administrative items, but that's the majority of our internal services.

Mr. Daniel Blaikie: When you talk about upgrading your case management program, are those expenditures that would fall into your internal services line, and not a program expenditure?

Mr. Éric Trottier: Yes.

Mr. Daniel Blaikie: Okay, and of the disclosure and reprisal management portion, how much of that is the other, I guess, 23 staff who work there? Are there other types of program costs or is it really just staffing costs?

Mr. Éric Trottier: The majority is staffing costs. That's the majority of our costs. It's very straightforward. We only have one program.

Mr. Joe Friday: As a micro-organization we have not, until now, had our own IM/IT services. One of our new employees is actually going to be our very own IM/IT person. We buy our human resources and compensation services from other organizations. It wouldn't be cost-effective for us to have our own HR group, for example, so we buy those services and use them as needed.

Mr. Daniel Blaikie: Thank you very much.

The Chair: We will then go to Madam Mendès for seven minutes.

Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.): Thank you very much, Mr. Chair, and thank you all for being here.

Just for the record, I think the committee knows, but I'll put it back in that Minister Brison will be coming to meet with us, to discuss our legislation. So we have that to look forward to.

I wasn't here during the previous study, so I have one question to ask of you. What is the difference between internal and external regimes? Don't you deal specifically or mostly with public servants?

Mr. Joe Friday: Yes, we deal almost exclusively with public servants, but the regime is based on a very important concept in the whistle-blowing world, and that is the choice of where you go. A public servant can choose to make a disclosure internally, to their manager or to a senior officer who has to be appointed within the organization, or they can choose to come directly to us. The previous regime required, and some regimes in other jurisdictions still require, that you exhaust internal options before going external.

One of the progressive and really forward-thinking components of the current regime is that you can come to me without going internally. That does make, I think, great sense because you may not trust the internal system.

Mrs. Alexandra Mendès: Okay. That makes it very clear for me. Thank you very much. I just couldn't quite get it.

Mr. Blaikie was mentioning the IT portion of the budget and the telephone portion of the budget. I saw that you are moving, physically moving.

● (1235)

Mr. Joe Friday: Yes, physically moving.

Mrs. Alexandra Mendès: Okay, and then if I understand correctly, it's all about the new staff who are going to be part of the team and the need for more space.

Mr. Joe Friday: Yes, and we're moving within the same building.

Mrs. Alexandra Mendès: That has been decided? It has been agreed on, and it's going to happen?

Mr. Joe Friday: Yes. The question of timing is always an issue.

At one point several years ago, when we were expanding, we actually rented a partial floor. We reconsolidated everybody on the one floor, because it's better for an operation to all be working together. Now, some recent growth having brought us to the limits of our current floor space, we've looked at the most cost-effective options to accommodate more people, and we will be moving.

Mrs. Alexandra Mendès: You estimate five more people, if I understand correctly? Is that your estimate, more or less?

Mr. Joe Friday: Yes. Right now, in some cases, we are doubled and tripled up in offices. Sometimes, given the nature of what we do, dealing with extremely serious and sensitive issues, some modicum of confidentiality and privacy is highly recommended.

Mrs. Alexandra Mendès: Yes. Talking about which, do you have closed offices for your investigators or is it an open plan?

Mr. Joe Friday: All of our investigators are currently in closed offices, and that is something we are trying to toe the line on, in terms of negotiating and dealing with policies and regulations, with respect to federal workplaces. We think it's essential that our investigators have the capacity to be in... it doesn't have to be a big office, but it should have four walls and a door.

Mrs. Alexandra Mendès: Do they receive the complainants at the office too, or at least have face-to-face—

Mr. Joe Friday: Occasionally, we do. This week we had three interviews in our offices with witnesses or disclosures or alleged wrongdoers, but we're very flexible in that regard.

One of the issues around identifying the appropriate office space that took some, I won't say convincing, but some discussion, was being located in a regular government office building, with a commissionaire at the front desk, and having to sign in before coming to our office. This would be a huge disincentive to someone coming forward in confidence to make a disclosure, or to be interviewed, or even to get information from us. So the importance of being in a neutral and essentially anonymous space—

Mrs. Alexandra Mendès: It should also be easily accessible.

Mr. Joe Friday: Yes.

Mrs. Alexandra Mendès: Has that been granted to you?

Mr. Joe Friday: We've been successful in that regard.

Mrs. Alexandra Mendès: Unless my colleagues want to take the rest of my time, I don't have any more questions.

Ms. Yasmin Ratansi: I have a few questions for you. You talked about the $40,000 that you are assigning to legal. Is it because you anticipate more people going to court or settling in court, or is it just that maybe because you're going from 87 to 147, you're projecting that that might be the reason? Have you done an educational campaign that tells people you're here, you are with teeth, you're not without teeth, and you're doing a good job?

Mr. Joe Friday: It's a combination of all those factors. The number of people coming forward is slowly increasing. The number of people asking for legal assistance is increasing. Also, I should advise, Mr. Chair, that this year we will be doing a formal evaluation of the legal assistance request program. We'll be happy to share those results with the committee.

Ms. Yasmin Ratansi: When you came before us last time, and then the tribunal came, there was this confusion with people who came before us to say that between the Office of the Public Sector Integrity Commissioner and the tribunal, the whistle-blowers don't know where to go and don't have any confidence.

Do you think you're building confidence within that group of people who are complaining?

Mr. Joe Friday: I'm certainly hopeful, based on direct information and direct communication that we have. Two of our last three case reports dealt with abusive behaviour in the workplace, and I think that's part of the reason our disclosures went up. You can imagine that disclosures tend to go up after the tabling of a case report.

We received really positive feedback. We got invitations from places like the Certified Fraud Examiners Association of Canada, and I've made two addresses to them now. The opportunities to go out and talk about our work increase, and the message we're providing is now based on an organization that has tabled 16 case reports before Parliament. It was much more difficult to tell people we were able to do our job when we had one or two or three.

● (1240)

The Chair: Thank you very much.

Mr. Kelly, five minutes please.

Mr. Pat Kelly: Thank you.

Noting that this is the first year you're projecting to spend your entire budget, and that you've been somewhat substantially under it in years past, it made me wonder how predictable your need is in any given year. If a substantial portion of this is going to the legal assistance program, that's very much complaint-driven, and I don't know if your office has existed long enough to have confidence in predicting what your traffic is going to be in the coming years.

How much faith do you have in your own guesses as to what your need might be in the future?

Mr. Joe Friday: Mr. Chair, I would agree that things are not very predictable in our world. For example, we do not have the authority to go out and start an investigation on our own. We are an on-demand service, so that workload depends on the number of disclosures and complaints of reprisal we get in any year.

This year is perhaps a good example, with the increase in the number of disclosures that I mentioned. We can attribute that, as I said, to the fact we had some high-profile case reports. We've also created a new online disclosure form. We anticipated a spike, and we got that spike. Whether that's going to continue, I can honestly say I don't know.

You also make a very important point, which is that even though we know what came last year and the year before, and I say things like we think we have a stable intake of complaints and disclosures, that is based on a very short history of data, so it's unpredictable. I can't even say what the likelihood is that I will be back asking for money, but it's constantly in the back of our heads that we may have to do that, given the nature of our work.

Mr. Pat Kelly: Thank you. That was my next question, your estimate of the odds of having that conversation when we get to supplemental estimates later on.

Like Ms. Mendès, I'm new to the committee and wasn't present for the study on this, so I'm not as proficient in the background.

What again were your intake numbers for the last year?

Mr. Joe Friday: I can list the three main ones that we measured. On the total number of general increase that we get, we had 265 in the past year. That compared to 218 the year before. Disclosures of wrongdoing was 147 compared to 81. That was the biggest jump in any number that we had. The number of reprisal complaints was 38. Last year it was 31. Generally, our numbers have been a general increase around the 200 mark, so 265 is a jump. Disclosures were between 80 and 100, so 147 is considerably higher. Reprisals, were between 30 and 40, so 38 is at the high end of normal.

Mr. Pat Kelly: Okay.

That's all I have.

The Chair: Ms. Ratansi, back to you for five minutes, please.

Ms. Yasmin Ratansi: Thank you very much. I'd like to go back to your comment and Mr. McCauley's comment.

You stated that you were a little disappointed in the response that you got from the government. Here I'm reading Minister Brison's report:

> I agree with the opinion of the Committee and its witnesses that improvements are required to the disclosure and protection regime under the *Public Servants Disclosure Protection Act*. We will move forward to implement improvements to the administration and operation of the internal disclosure...

Which part of it was disappointing? When he's taking the report... you came before the committee, we tabled the report, the report had recommendations that incorporated a lot of things, and the minister is agreeing to it, so what was disappointing? Since the minister is coming before us, we would like to pose some questions to him, which should be logical.

● (1245)

Mr. Joe Friday: The first basis for my disappointment was timing. First of all, this was a five-year review of the legislation, and it happened in 10 years.

Ms. Yasmin Ratansi: It was not during this government's mandate.

Mr. Joe Friday: That's right.

I was quite eager after 10 years to get the five-year review done. I thought our proposals were achievable and implementable. I fully accept that my priorities as commissioner of a micro-organization are not necessarily the priorities of a government or any government, or my legislative priorities may not be the government's or anybody else's legislative priorities.

There was the timing issue. I was really hopeful that the proposal to have a reverse onus of proof at the tribunal level could be something that could be implemented. That was substantive, substantial. Every witness agreed, and we have many examples from other countries.

Ms. Yasmin Ratansi: But the minister is not saying that he doesn't want to implement it.

Mr. Joe Friday: No, but the second sentence of the letter, "We will move forward to implement improvements to the administration and operation of the internal disclosure...." That has nothing to do with my 16 proposals, and that has nothing to do with the tribunal.

Ms. Yasmin Ratansi: But the internal process is what the minister is also concerned with, isn't it?

Mr. Joe Friday: That's his responsibility, but he can introduce legislation to implement my proposals as well. I can't. I don't have the status to do that. I would have to do that through the Treasury Board minister.

Ms. Yasmin Ratansi: Have you written to the President of the Treasury Board after this report was released and his response was given?

Mr. Joe Friday: I have not written to him directly after this letter.

Ms. Yasmin Ratansi: I think that would be a good idea because then at least there is a communication going on.

Mr. Joe Friday: Absolutely. As I've said, I do believe that the communications between the external regime, for which I'm responsible, and the internal regime, for which Treasury Board is responsible, do exist and that we have good relationships. Again, I am an external body that does not have the authority under the act or in our system that Treasury Board has.

I assure you, I have no difficulty in expressing my concerns or my thoughts or my opinions or suggestions at any time to the minister.

Ms. Yasmin Ratansi: That is good because I was under the impression that he just dismissed our report, which he hasn't, and he has taken the report into consideration. He says it was thrown in the bin. It wasn't. There is evidence that he accepted our report, and he has to work through different regimes. You may not be his priority, but he has other priorities like balancing the budgets and the estimates.

Mr. Joe Friday: It hurts me to say, but I guess I can accept that I'm not the priority.

Ms. Yasmin Ratansi: The alignment is there, and that's fine.

I have a last question for you. From the external perspective there were some whistle-blowers who came here crying because they were being penalized and blacklisted. They were contractors who weren't paid, who were unlawfully.... There were things against them. Have you had any external ones complaining to you? Have you had to deal with things like that, contractors, probably?

Mr. Joe Friday: Yes, the 147 disclosures we get cover every aspect of the very broad definition of whistle-blowing. The act does specifically provide for protection for contractors. Whether or not that's sufficient is something that I think would be really interesting to discuss in an ongoing review of the legislation. After last year's review, I can say that I think it only helped publicize the existence of the regime. I've had discussions with media, with schools. I was at Queen's Master of Public Administration school a few weeks ago talking about legislative reform of the whistle-blowing act.

The Chair: Thank you very much.

Mr. McCauley, you have five minutes.

Mr. Kelly McCauley: No, I think we're fine. I don't have anything else, but thanks very much. We look forward to Mr. Brison explaining in detail how much he's done to bring in the unanimous report.

● (1250)

The Chair: That will bring us to Mr. Jowhari for five minutes, please.

Mr. Majid Jowhari: Thank you.

Mr. Friday, I'd like to ask two sets of questions: one is budget-related and the other one is process-related. I'm a number-cruncher, and I always look at percentage increases, percentages, and the correlations. Let me start by asking you a question. Do you believe there is a correlation between disclosure of wrongdoing, investigation, and reprisal cases? Have you seen a pattern that *x* number of, let's say, wrongdoing translates to this number of investigations, which translates into this number of reprisal cases?

Mr. Joe Friday: No, I don't think there's a correlation. One reality of our work is that we're dealing with an extremely broad definition of wrongdoing, which deals with anything from the breach of an act to gross mismanagement to endangering life, health, and safety.

Mr. Majid Jowhari: That's a great segue to my next question. What were the top three issues or top three wrongdoings that were brought up as part of the 147 this year?

Mr. Joe Friday: If I can try to contextualize a little bit for you, it is very unusual for us to get a disclosure of a single allegation of wrongdoing. The vast majority, more than 50% of them, have a number of the boxes checked, in terms of the definition. That actually informed how we went about designing our online questionnaire. I think it's human nature to think that, if I'm going to complain about wrongdoing, and I see there are eight different kinds, I'm going to check them all, because it's up to me to determine.

Mr. Majid Jowhari: They're going to go for all of them.

Mr. Joe Friday: The three, if I can put it this way, most popular heads of wrongdoing are gross mismanagement in the public sector, which is not defined by law so we've defined it in our own approach, in our case reports; the serious breach of a code of conduct; and the breach of a federal law or a provincial law.

Mr. Majid Jowhari: Okay, great.

I notice that among the three different categories—disclosure of wrongdoing, investigations launched, as well as reprisal—for the first two, the increase from the previous year to this year was around 20%, whereas the increase as it relates to disclosure went up from 81 to 147, which is an 81% increase. What was the reason for that?

Mr. Joe Friday: I think the reason was that we had highly publicized case reports that attracted people to our office, and we also launched an online form. I think the Human Rights Commission has just reported, in its annual report, that the launch of an online form is generally followed by a spike in uptake.

Mr. Majid Jowhari: Okay, and that spike would then result in a drastic increase in the reprisal cases.

Mr. Joe Friday: The spike was on the disclosure side more than on the reprisal side.

Mr. Majid Jowhari: Okay.

I have, probably, a few minutes left. I'd like to go back to the budget. You clearly explained that the jump of 56% on the expenditure, from the 2015-16 to the 2018-19 main estimates, is around three major things: information systems, employees, and a physical move. Now, I notice that when we go to 2018-19, 2019-20, and 2020-21, the budget has been maintained. Usually, information systems you buy once and you implement them. You make your move once. You hire your employees. I can understand that the salaries, as they relate to those five individuals, carry over. To what do you attribute maintaining the costs associated or the estimates associated with disclosure and reprisal management at that level?

Mr. Joe Friday: I think I will ask my number guy to talk to you directly.

Mr. Éric Trottier: Yes, of course, for 2018-19 we will have the information management, IT—

Mr. Majid Jowhari: I totally understand that move.

Mr. Éric Trottier: For future years, we do audit and evaluations, and we do not do them all in the same year. We have the program evaluation coming up, I believe, in two years, which is a big expense. Those amounts will be replaced by something else.

Mr. Majid Jowhari: Okay. I've got it. Thank you.

I have one last question. There was an increase in internal services to the tune of about 24%. Can you explain, aside from centralizing your phone system, what other efficiencies were gained to be able to reduce that to offset the 56% increase?

Mr. Éric Trottier: In internal whole services?

Mr. Majid Jowhari: Yes.

Mr. Éric Trottier: Currently we have information management in-house, and we need to hire a consultant to provide the support for that. Going forward with the new system, it's licensing through SSC, so it's less costly than our current system.

● (1255)

Mr. Majid Jowhari: That explains the 24% drop. Okay. Thank you very much.

The Chair: Mr. Blaikie, we have one last three-minute intervention spot. If you'd like to cede your time, Madame Mendès, I believe, has a question. She'd like to take your time.

Mr. Daniel Blaikie: Sure.

The Chair: Madame Mendès, go ahead.

Mrs. Alexandra Mendès: Thank you very much, Mr. Chair.

Thank you, Mr. Blaikie. I appreciate it.

It's not so much a question, but more a comment on the legislative review itself that was carried out last year. For the record, I really would like to put it in again that after 10 years you finally have your five-year review, and it was finally under our government that you got it, not under the previous government as was planned. We've been getting so many digs at what we are not doing that I'd like to put that on the record. We did carry out the legislative review, and I hope that TBS Minister Brison will extend the answer that he gave us initially to the report to cover your mandate, the external review.

Mr. Joe Friday: If I may say so, the legislative review process carried out by this committee, and the report that came from it, from our perspective was impressively thorough and complete and reflected the key concerns, elements, and concepts underlying whistle-blowing in the public sector. I commend the committee for what was intense and difficult work.

The Chair: Mr. Friday, I thank you for that.

Madam Mendès, you can be assured, since this is not an in camera presentation, that your comments will be on the record.

Mr. Friday, Mr. Trottier, Mr. Radford, once again, thank you for appearing. Your testimony has been helpful.

The meeting is adjourned.

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